

109TH CONGRESS
1ST SESSION

S. 1412

To prohibit the merger, acquisition, or takeover of Unocal Corporation by
CNOOC Ltd. of China.

IN THE SENATE OF THE UNITED STATES

JULY 15, 2005

Mr. DORGAN introduced the following bill; which was read twice and referred
to the Committee on the Judiciary

A BILL

To prohibit the merger, acquisition, or takeover of Unocal
Corporation by CNOOC Ltd. of China.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress makes the following findings:

5 (1) Oil and natural gas resources are strategic
6 assets critical to national security and the Nation's
7 economic prosperity.

8 (2) The National Security Strategy of the
9 United States approved by President George W.
10 Bush on September 17, 2002, concludes that the

1 People's Republic of China remains strongly com-
2 mitted to national one-party rule by the Communist
3 Party.

4 (3) On June 23, 2005, the China National Off-
5 shore Oil Corporation Limited (CNOOC), announced
6 its intent to acquire Unocal Corporation, in the face
7 of a competing bid for Unocal Corporation from
8 Chevron Corporation.

9 (4) The People's Republic of China owns ap-
10 proximately 70 percent of CNOOC.

11 (5) A significant portion of the CNOOC acqui-
12 sition is to be financed and heavily subsidized by
13 banks owned by the People's Republic of China.

14 (6) Unocal Corporation is based in the United
15 States, and has approximately 1,750,000,000 barrels
16 of oil equivalent, with its core operating areas in
17 Southeast Asia, Alaska, Canada, and the lower 48
18 States.

19 (7) A CNOOC acquisition of Unocal Corpora-
20 tion would result in the strategic assets of Unocal
21 Corporation being preferentially allocated to China
22 by the Chinese Government.

23 (8) A Chinese Government acquisition of
24 Unocal Corporation would weaken the ability of the
25 United States to influence the oil and gas supplies

1 of the Nation through companies that must adhere
2 to United States laws.

3 (9) As a de facto matter, the Chinese Govern-
4 ment would not allow the United States Government
5 or United States investors to acquire a controlling
6 interest in a Chinese energy company.

7 **SEC. 2. PROHIBITION ON SALE OF UNOCAL TO CNOOC.**

8 Notwithstanding any other provision of law, the
9 merger, acquisition, or takeover of Unocal Corporation by
10 CNOOC is prohibited.

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